

GOVERNMENT OF TELANGANA
ABSTRACT

Cooperation Dept. - Issue of Government Guarantee for an amount of Rs. 2500.00 Crores on behalf of Telangana State Cooperative Apex Bank Ltd., for the refinance by NABARD on ST/LT loans - Orders Issued.

AGRICULTURE AND COOPERATION (COOP.II) DEPARTMENT

G.O.MS.No. 38.

Dated: 19.05.2015.

Read the following:-

- Ref:**
1. Letter no. 4822/ Coop. VI (2)/ 2014 dated 31.05.2014 from the Principal Secretary, Agri& Coop Department, Government of Andhra Pradesh addressed to CGM NABARD.
 2. NABARD Lr No. NB. TS&AP. RO. PCD/ 2597/PCD- 3/2014-15 dated 07.07.2014 addressed to the Principal Secretary to Govt, Agri& Coop Dept., Government of Andhra Pradesh & Telangana..
 3. Managing Director, AP State Cooperative Bank Letter No. L&A/ SAO/ F.24/ 2014-15 dated 11.07.2014.
 4. Letter RC no. 727/ Coop. II/ 2014 dated 22.07.2014 from the APC & Principal Secretary, Agri & Coop Department, Government of Telangana addressed to CGM NABARD.
 5. Managing Director, AP State Cooperative Bank Letter No. L&A/ F.24/ 2014-15 dated 20.12.2014.
 6. Letter RC No. 293/ 2014-CR1. Dated 21.01.2015 from the Commissioner for Cooperation & Registrar of Cooperative Societies, Telangana, Hyderabad.
 7. Memo No. 88/ Coop 11(2)/ 2015-2 dated 10.02.2015 addressed by Dy. Secretary to Government, A&C Dept. under copy to APCOB.
 8. Managing Director A.P State Coop. Bank Letter No.L&A/ ST(P)/ 2014-15 dated 14.02.2015.
 9. Letter RC. No. 293/ 2014-CR1 dated 04.03.2015 from the Commissioner for Cooperation and Registrar of Cooperative Societies, Telangana, Hyderabad.

ORDER:

Whereas, consequent to the bifurcation of the State of Andhra Pradesh as per A P State Reorganization Act 2014, into two States namely Andhra Pradesh and Telangana, the Board of Management of the Andhra Pradesh State Cooperative Bank has resolved to bifurcate the Bank into Andhra Pradesh State Cooperative Bank (Residual), for Andhra Pradesh state and the New Telangana State Cooperative Apex Bank Ltd. for the State of Telangana with effect from 02.04.2015. The Telangana State Cooperative Apex Bank Ltd, Hyderabad is a newly formed State Cooperative Bank registered on 26-03-2015 with Regd. No. TAB 321 in the State of Telangana with area of operation covering the entire State of Telangana.

2. In the reference 1st read above, the Government of Telangana assured NABARD through its Letter of Comfort with the approval of His Excellency, Governor of the Unified State of Andhra Pradesh that the Governments of

successor States of Telangana and Andhra Pradesh would execute such documents as may be necessary and required by NABARD.

3. In the reference 2nd read above, NABARD has advised APCOB to furnish an undertaking from the State Government for continuing refinance support without any interruption after the bifurcation of the State.

4. In the reference 3rd read above, APCOB has requested the State Government of Telangana to issue letter of undertaking for execution of fresh documents, guarantee deeds in respect of ST credit limits, MT/LT Loans sanctioned to APCOB on behalf of the 9 DCC Banks in the State of Telangana. Accordingly Government of Telangana has issued Letter of undertaking in favour of NABARD through the reference 4th read above.

5. In the reference 5th read above, APCOB has requested to issue the Government Guarantee on behalf of Telangana districts for an amount of Rs.2500 Crores and waive payment of the guarantee commission.

6. In the reference 6th read above, the Commissioner for Cooperation and Registrar of Cooperative Societies, Telangana, Hyderabad has sent proposals to the State Government for issue of Government Guarantee for an amount of Rs.2500.00 Crores and exemption from payment of Guarantee Commission.

7. In the reference 7th read above, the Government addressed the Commissioner for Cooperation & Registrar of Cooperative Societies under copy to Andhra Pradesh State Cooperative Bank advising to examine the issue in accordance with the orders contained in G.O. Ms No. 445& 446, Finance (DMC) Dept. dated 29.09.2003 and to furnish required information for examining the proposal.

8. In the reference 8th read above, APCOB furnished the required information and informed that the Bank has neither defaulted in repayment of dues to NABARD nor the Government was ever invoked and requested for issue of Government Guarantee to a tune of Rs.2500 Crores covering all loaning activities on behalf of Telangana districts.

9. In the reference 9th read above, the Commissioner for Cooperation & Registrar of Cooperative Societies, Telangana has furnished the information given by APCOB with a proposal for issue of Government Guarantee for an amount of Rs. 2500 Crores.

10. In view of the above circumstances and after careful consideration, the Government has decided to give a Comprehensive Guarantee to NABARD for an aggregate amount of Rs. 2500.00 Crores (Rs. Two Thousand five hundred crores only) to cover such loans and advances granted and to be granted hereafter to the Telangana State Cooperative Apex Bank Ltd.by National Bank for Agriculture and Rural Development (NABARD) subject to the following conditions,

- a. The liability of the State Government shall be to a maximum amount of Rs. 2500.00 Crores (Rupees Two Thousand five hundred crores only) and payment of Interest thereon.
- b. The Block Guarantee covers all loans disbursed and to be disbursed by NABARD to Telangana State Cooperative Apex Bank Ltd. against the Government Guarantee.
- c. The Block Guarantee sanctioned for a period of one year only, includes the Guarantee for repayment of both Principal and Interest on the loans availed by the Telangana State Cooperative Apex Bank Ltd. from NABARD on such terms and conditions as may be prescribed by NABARD from time to time. The Block Guarantee is a continuing guarantee in nature.

- d. The Telangana State Cooperative Apex Bank Ltd. shall inform the Government on quarterly basis the amounts outstanding against Government Guarantee.

11. This order issues with the concurrence of Finance (DCM) Department vide their U.O.No.6087/106/A1/2015, dt.16.05.2015..

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA]

**C. PARTHA SARATHI,
APC & SECRETARY TO GOVERNMENT**

To,

The Registrar of Cooperative Societies, Telangana, Hyderabad.

The Managing Director, the Telangana State Cooperative Apex Bank Ltd., Hyderabad.

The Chief General Manager, NABARD- RO, Telangana, Hyderabad.

The Chairman, NABARD, Mumbai.

Copy to:-

The Accountant General, Telangana, Hyderabad.

The Finance (DCM) Department,

The Pay and Accounts Officer, Telangana, Hyderabad.

The Director of Treasuries and Accounts, Telangana, Hyderabad.

The PS to APC & Secretary to Government, Agri& Coopn.(AM&C) Department.

The PS to Honorable Minister for Cooperation,

Copy to SF/S.C.

// FORWARDED : BY ORDER //

SECTION OFFICER